

### **REMARKS**

Claims 175-176, 178-187, 190-197 and 199 are pending, with claims 175, 190 and 195 being independent. Claims 175-187 stand rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter; and all claims stand rejected under 35 U.S.C. 102(e) as being anticipated by Joao et al. (U.S. Patent No. 6,047,270)<sup>1</sup>. These rejections are traversed below in order to reduce the number of issues on appeal.

#### **There is No “Technological Arts” Test Under 35 U.S.C. 101**

In issuing the rejection under 35 U.S.C. 101, the Office Action alleges that “[f]or a claim to be statutory, it must be in the technological arts (see *In re Musgrave*, 167 USPQ 280 (CCPA 1970) and *In re Johnston*, 183 USPQ 172 (CCPA 1974)).” Office Action, p. 2. This is incorrect. In October, 2005, the Board of Patent Appeals and Interferences expressly found that there is no such requirement in the patent laws. See Ex parte Lundgren, 76 USPQ2d 1385, 1388 (BdPatApp&Int 2005) (“Our determination is that there is currently no judicially recognized separate ‘technological arts’ test to determine patent eligible subject matter under §101. We decline to create one.”).

The method claims rejected under 35 U.S.C. 101 are not required to be in the technological arts, and are not mere abstract concepts. Indeed, even if they were required to be in the technical arts, independent claim 175 recites various technological elements (e.g., a “database,” “one or more memories,” a “computing device,” data “transmitted over the Internet using packetized data,” etc.). Applicant respectfully submits that the rejection under 35 U.S.C. 101 should be reconsidered and withdrawn before going on appeal.

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<sup>1</sup> Claim 199 is also objected to for having been labeled “Previously presented” in the prior amendment, when it should have been labeled “New.” The present amendment lists the correct status for this claim.

**Joao et al. Fails to Anticipate the Claims**

In rejecting all claims under 35 U.S.C. 102(e), the Office Action alleges that each and every claimed feature is found in Joao et al. In the prior amendment, claim 175 was amended to recite the following (emphasis added):

... said negative database including information for a plurality of users, said information including, for each user, a predetermined sales limit, an indication of whether the user has previously refused payment for a prior purchase, and an indication of whether the user has ever disputed a charge for a prior purchase; ...

... using said information from said user to consult said negative database and determine whether said user has ever disputed a charge for a prior purchase ... and

... blocking said sale transaction if said user has previously disputed a charge for a prior purchase.

The Office Action does not acknowledge these features in the claim, or cite to any portion of Joao et al. that allegedly teaches such features. Joao et al. does not teach or suggest the claim 175 method with these features. For example, and as Applicant noted in the prior amendment, Joao et al. fails to teach or suggest a negative database having “an indication of whether the user has previously refused payment for a prior purchase, and an indication of whether the user has ever disputed a charge for a prior purchase.” The Office Action cites Joao et al., col. 8, lines 25-45 to show the claimed negative database, but that portion is silent as to the recited indications. Instead, that portion discusses how the Joao et al. user can program the system to limit and/or restrict certain types of transactions with certain vendors and sellers for future purchases – the user configures it in advance, with no mention of disputed charges for prior purchases. The Joao et al. central processing computer does not store “an indication of whether the user has previously refused payment for a prior

purchase, and an indication of whether the user has ever disputed a charge for a prior purchase,” and does not “determine whether said user has ever disputed a charge for a prior purchase,” as recited in claim 175.

The other independent claims also recite features relating to whether a user has disputed a prior purchase. Claim 190 recites, among other features, storing “an indication of whether said users have ever refused payment for a previous purchase, and an indication of whether said users have ever disputed a charge for a previous purchase,” and “blocking said sale transaction if said user has previously disputed a charge for a prior purchase.” Claim 195 recites, among other features, “a negative database identifying whether a plurality of users have ever disputed a charge for any prior purchase with said web site, and whether a plurality of users have ever refused payment for any prior purchase with said web site,” “determine whether said user has ever disputed a charge for any prior purchase made with said web site,” and “blocking said sale transaction if said user has ever disputed a charge for any prior purchase made with said web site.”

Independent claim 175, 190 and 195 distinguish over Joao et al., and are in condition for allowance. The other claims (176, 178-187, 191-194, 196-197 and 199) depend from one of these independent claims, and are allowable for at least the same reasons as their base independent claim, and further in view of the features recited therein.

For example, claim 181 recites “[t]he method of claim 179, where said address information [which, in claim 179, is transmitted from a user] is a billing address.” The Action continues to cite Joao et al., cols. 11-12 for this feature, but a review of those columns shows no such information transmitted from the user. Applicant noted this deficiency in the previous Amendment, and the one before that, but the present Action does not elaborate on

this ground of rejection. Applicant respectfully requests clarification as to where such a recited use of a billing address is allegedly found.

Additionally, claim 199 recites “[t]he method of claim 175, wherein said negative database contains information identifying whether said user has ever disputed a charge for prior purchases made at a plurality of different Internet-based ordering systems.” The Office Action generally refers to the rejections of claims 170, 190 and 195 to reject this claim, but as noted above, the Office Action does not address the recited features relating to disputed charges for prior purchases.

### **Conclusion**

For at least the reasons set forth above, Applicant submits that the pending rejections should be reconsidered and withdrawn to narrow the issues on appeal, and that claims 175-176, 178-187, and 190-197 and 199 distinguish over the art of record. If the Examiner believes that further discussion and/or amendment would be helpful to place the application in condition for allowance, the Examiner is invited to telephone the Applicant’s undersigned representative at the number appearing below.

Respectfully submitted,

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By: /Steve Chang/  
Steve S. Chang  
Registration No. 42,402

BANNER & WITCOFF, LTD  
1001 G Street, N.W., 11<sup>th</sup> Floor  
Washington, DC 20001  
(202) 824-3000